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BeerInstitute.org

The Honorable Pat Roberts, Chairman
Senate Cmte. on Agriculture, Nutrition, & Forestry
328A Russell Senate Office Bldg.
Washington, D.C. 20510

The Honorable Michael Conaway, Chairman
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

The Honorable Debbie Stabenow, Ranking
Member
Senate Cmte. on Agriculture, Nutrition, &
Forestry
328A Russell Senate Office Bldg.
Washington, D.C. 20510

The Honorable Collin Peterson, Ranking
Member
House Committee on Agriculture
1010 Longworth House Office Building
Washington, DC 20515

November 20, 2018

Dear Chairman Roberts and Conaway and Ranking Members Stabenow and Peterson,

As the House and Senate continue to reconcile their versions of the 2018 Farm Bill in conference, I request that you include in the final bill the House language regarding the development of new and innovative crop insurance products, as well as maintenance and refinement of current products deployed under section 508(h) of the Agricultural Risk Protection Act (ARPA) of 2000.

The U.S. beer industry uses approximately 190 million bushels of domestic barley annually. A robust crop insurance program for barley growers is vital to U.S. brewers. Section 508(h) of ARPA created a public-private partnership between barley growers and other agricultural stakeholders along with private insurers. This partnership has resulted in innovative crop insurance products that protect barley farmers across the U.S. As a result, 508(h) of ARPA is an important asset to barley growers, and currently accounts for over 80% of new crop insurance products.

In November 2016, the Federal Crop Insurance Corporation (FCIC) began enforcing new procedures for reimbursement of development and maintenance costs for crop insurance products developed under section 508(h). These procedures, which were not subject to public vetting or review are a burden to barley growers and threaten to stifle the progress which has been made under 508(h).

The House version of the Farm Bill contains language which we believe will address this issue and preserve the public-private partnership that is vital to barley growers since its inclusion in ARPA in 2000. It is my hope that as you lead the conference committee in creating a final Farm Bill, that includes this House-passed language.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McGreevy". The signature is fluid and cursive, with a large initial "J" and "M".

Jim McGreevy
President and CEO



SEC. 10007. MAINTENANCE OF POLICIES.

(a) Section 522(b) of the Federal Crop Insurance Act 21 (7 U.S.C. 1522(b)) is amended—
(1) in paragraph (1), by amending subparagraph (B) to read as follows:

“(B) REIMBURSEMENT.—

“(i) IN GENERAL.—An applicant who 1 submits a policy under section 508(h) shall be eligible for the reimbursement of reasonable and actual research and development costs directly related to the policy if the policy is approved by the Board for sale to producers.

“(ii) REASONABLE COSTS.—For the purpose of reimbursing research and development and maintenance costs under this section, costs of the applicant shall be considered reasonable and actual costs if the costs are based on—

“(I) wage rates equal to 2 times the hourly wage rate plus benefits, as provided by the Bureau of Labor Statistics for the year in which such costs are incurred, calculated using the formula applied to an applicant by the Corporation in reviewing proposed project budgets under this section on October 1, 2016; or

“(II) actual documented costs incurred by the applicant.”; and

(2) in paragraph (4)—

(A) in subparagraph (C), by striking “approved insurance provider” and inserting “applicant”; and

(B) in subparagraph (D)

(i) in clause (i), by striking “determined by the approved insurance provider” and inserting “determined by the applicant”;

(ii) by striking clause (ii) and inserting the following new clauses:

“(ii) APPROVAL.—Subject to clause (iii), the Board shall approve the amount of a fee determined under clause (i) unless the Board determines, based on substantial evidence in the record, that the amount of the fee unnecessarily inhibits the use of the policy.

“(iii) CONSIDERATION.—The Board shall not disapprove a fee on the basis of—

“(I) a comparison to maintenance fees paid with respect to the policy; or

“(II) the potential for the fee to result in a financial gain or loss to the applicant based on the number of policies sold.”

(b) APPLICABILITY.—

(1) IN GENERAL.—The amendments made by this section shall apply to reimbursement requests made on or after October 1, 2016.

(2) RESUBMISSION OF DENIED REQUEST.—An applicant that was denied all or a portion of a reimbursement request under paragraph (1) of section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 10 1522(b)) during the period between October 1, 2016 and the date of the enactment of this Act shall be given an opportunity to resubmit such request.